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C O N F I D E N T I A L SECTION 01 OF 03 KUALA LUMPUR 001624

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STATE FOR EAP/MTS AND INR

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SUBJECT: CHALLENGES TO MALAYSIA'S STATUS QUO: WINDS OF
CHANGE OR JUST A STIFF BREEZE?

REF: A. KUALA LUMPUR 1613 - NOVEMBER 10 DEMONSTRATION

[¶B.](#) KUALA LUMPUR 1458 - LAWYERS TAKE TO STREETS

[¶C.](#) KUALA LUMPUR 1446 - VIDEO OF JUDGE-FIXING

Classified By: Political Section Chief Mark D. Clark for reasons 1.4 (b
and d).

Summary

[¶1.](#) (C) Subtle as well as more abrupt challenges to Malaysia's political status quo have emerged over the past few months, further signifying that times have changed since Mahathir's era of tight control. The Sultans quietly reasserted a claim to a measure of constitutional authority, which they had lost under Mahathir. A respected civil society organization, the Bar Council, publicly challenged the Prime Minister Abdullah's government to tackle judicial corruption and marched several thousand lawyers to Abdullah's office to make the point. Opposition parties led by Anwar Ibrahim defied Abdullah's personal warnings on November 10 took to the streets of Kuala Lumpur in tens of thousands to petition the King over electoral reform. The government's opposition to, and inability to stop, the two recent protests have highlighted Abdullah's weakness compared with Mahathir, as well as dented Abdullah's remaining credentials as a reformer. Nevertheless, too much can be made of these recent challenges to the government. The fundamentals of Malaysia's race-based politics remain intact, with UMNO and the National Front in possession of almost insurmountable powers of incumbency. UMNO's internal response to Abdullah's actions as leader in the face of such direct challenges will be one important aspect to watch. At this point, Malaysia is experiencing a stiff breeze, rather than a strong wind shifting the power structure. End Summary.

Sultans Asserting their Constitutional Authority

[¶2.](#) (C) Malaysia's nine hereditary sultans, who rotate the king's crown among them every five years, over the past few months have quietly reasserted a claim to a measure of constitutional authority, which they all but lost under Mahathir's administration. The Constitution calls for the Prime Minister to consult the sultans, collectively the Conference of Rulers, on certain government appointments, including to the judiciary. Mahathir removed the Rulers' power to veto legislation, removed their immunity, established a special court to try them for civil and criminal offences, and effectively turned the Rulers into a rubber stamp.

13. (C) In August 2007, the Conference reportedly quietly rejected the nominee proposed by PM Abdullah for the post of Chief Judge of Malaya, the third highest judicial seat. In October, the Sultan of Perak, a former Chief Justice, used his opening address at the Bar Council conference to criticize the corrupted state of the judiciary. Such open criticism against the judiciary by a Malay ruler was unheard of during Mahathir's era. In November, members of the Conference of Rulers unanimously agreed to appoint Justice Abdul Hamid as Acting Chief Justice, by some accounts preempting a government letter addressed to the Conference of Rulers that would have sought a short-term extension for former Chief Justice Ahmad Fairuz, who is under a cloud of criticism for a judge-fixing scandal. The government's official line was that Fairuz' tenure was never a matter of discussion with the Rulers. The issue of the Rulers and judicial appointments has played out behind the scenes, but nevertheless has become a focus of widespread private discussion among political elites.

Bar Council Brings Protest to PM's Door

14. (C) In September, the Malaysian Bar Council, a respected civil society organization, publicly challenged Abdullah's government by sending several thousand marchers to the PM's office, a display of public protest by lawyers unprecedented since 1998. The "Walk for Justice" in the normally staid administrative capital of Putrajaya demanded a royal commission of inquiry be established to investigate alleged judge-fixing documented in a video recording released by Anwar Ibrahim, and more generally decried the corrupt state of the judiciary. Nearly 2,000 lawyers participated, despite senior officials' warnings and police roadblocks stopping

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buses headed into Putrajaya, and marched without a permit, ignoring police calls for them to disperse.

15. (C) Senior officials, like de facto Law Minister Nazri Abdul Aziz, appeared at a loss over how to shut down or react to the Bar Council protest, given the Council's respected profile and the fact that it is not an opposition group per se. As a reflection of the Bar Council's stature, and PM Abdullah's more conciliatory style compared with Mahathir, the Prime Minister still deigned to give the keynote address at the Bar Council's October conference, and used the podium to chastise the unrepentant Bar Council for its exaggeration of the nation's problems and for its unseemly tactics of marching in Putrajaya. The three-day event itself, however, served to draw more public attention to the Bar Council's criticism of the courts' lack of integrity.

Opposition Rally Calls PM's Bluff

16. (C) Major opposition parties, in a coalition together with some civil society groups under the umbrella group BERSIH, provided the most direct challenge to National Coalition authority with their November 10 march to the national palace. Police rejected a request for a permit on the basis the assembly threatened law and order, thereby making the BERSIH demonstration illegal. The Prime Minister clearly warned organizers against going ahead with the protest, issuing a personal challenge to the opposition in front of thousands of delegates at the United Malays National Organization (UMNO) annual assembly in Kuala Lumpur the evening before the march. The Inspector General of Police, influential PM son-in-law Khairy Jamaluddin and senior UMNO leaders joined in public calls to stop the illegal demonstration or face arrest.

17. (C) Ironically, many of the UMNO delegates who listened to Abdullah's stern warning November 9 found themselves hopelessly snarled in traffic the following day as Anwar

Ibrahim led some 20,000 to 35,000 demonstrators, drawn foremost from the ranks of the Malaysian Islamic Party (PAS), to the palace gates. There Anwar, flanked by leaders of the opposition PAS and Democratic Action Party (DAP), handed over to a palace official a petition to the King calling for electoral reform, including fair access to the media. November 10 constituted the largest political demonstration in Malaysia since the 1998 street protests over the sacking and arrest of former Deputy Prime Minister Anwar Ibrahim (with the possible exception to protests against toll price hikes in 2000). While the government-dominated mainstream press played down the demonstration's significance, in private circles and on-line the UMNO annual assembly, billed as a pre-election ramp-up event, was completely eclipsed by discussion of the protest and speculation of the opposition's next steps.

Comment

18. (C) Abdullah has faced or allowed challenges to his authority that his predecessor Mahathir in most of his years in power would not have tolerated. As a matter of policy, since assuming leadership some four years ago, Abdullah has opened more space in the political environment. The demonstrations over the past few months, and subtle push back from the Rulers, however, do not represent conscious political openings by Abdullah and the UMNO elite; they reflect a government and a leader being jostled by external forces. Abdullah's leadership profile, which appears hands-off, low energy, and non-confrontational, all in sharp contrast to his predecessor, means that the National Front government is less able to defend the status quo as Mahathir once did. The Bar Council and BERSIH demonstrations represent a double cut: the inability of the government to enforce its will and stop the two recent protests have highlighted Abdullah's weakness, while the Prime Minister's personal intervention in opposition to such exercises of public assembly has further dented his credentials as a reformer.

19. (C) Nevertheless, too much can be made of these recent challenges to ruling National Front authority. While several Sultans may enjoy strong reputations, the Rulers collectively remain a national institution of marginal power and tenuous credibility. The recent public demonstrations are not by themselves a bellwether of widespread grassroots discontent

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with the establishment. Rather than a spontaneous outpouring of public protest, November 10 represented a well-planned partisan political action primarily driven and supported by the opposition parties, with Islamist PAS the largest contributor and Anwar Ibrahim taking the billing as de facto protest leader. November 10 stands as a tactical victory for the opposition, but not a strategic one.

110. (C) The fundamentals of Malaysia's race-based political structure remain intact, with the Malays firmly in the center of gravity, UMNO as the only viable vehicle to bring together a coalition with the other ethnic groups, and the National Front in possession of almost insurmountable powers of incumbency. UMNO's internal response to Abdullah's actions as leader in the face of such direct challenges will be one important aspect for us to watch. At this point, Malaysia is experiencing a stiff breeze rather than a strong wind shifting the power structure.

KEITH